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C O N F I D E N T I A L SECTION 01 OF 02 TASHKENT 001096

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DEPARTMENT FOR SCA/CEN AND EUR/ACE
DEPARTMENT PLEASE PASS TO USAID
ASTANA ALSO FOR USAID

E.O. 12958: DECL: 06/08/2017
TAGS: [PGOV](#) [PREL](#) [EAID](#) [UZ](#)
SUBJECT: GOU CONTINUES NGO REGISTRATION GAMES

Classified By: CDA Brad Hanson for reasons 1.4 (b) and (d).

Summary

11. (C) American nongovernmental organizations continue to experience registration problems despite good faith efforts to comply with Uzbek law and the advice of the Ministry of Justice. Post learned June 5 that the Ministry of Justice has denied Project Hope's application to transfer its status to that of a branch office, despite the fact that the action specifically was taken at the behest of the Ministry. John Snow, Inc.'s registration application also has been rejected for the second time. Abt Associates and Bearing Point had successfully registered under the Ministry of Foreign Economic Relations. However, in April, Abt Associates was given a copy of a letter from the Ministry to the tax authorities stating that both organizations were ceasing operations in Uzbekistan by the decision of accreditation authorities. Post believes that the Ministry of Justice's actions demonstrate a decision not to register new organizations, or to admit that any registered foreign organization is fully compliant with Uzbek law. This gives the government a mechanism to liquidate any organization on very short notice when doing so suits its purpose. The Ministry of Foreign Economic Relations letter is harder to explain, particularly since neither organization has experienced any adverse effects so far. It may signal, however, that registration at the Ministry of Foreign Economic Relations (MFER) is not the answer to the registration problems of most American organizations. End summary.

Project Hope Branch Office Re-Registration Denied

12. (C) Project Hope's Country Director told Emboffs on June 5 that the Ministry of Justice (MOJ) has denied its application to re-register as a branch office. Project Hope submitted the application in response to specific MOJ instructions given following an audit of the organization's activities. The reasons given for denying the application were consistent with MOJ's previous decisions that Project Hope had made trivial errors in formatting its by-laws, or had proposed the operation of field operations, in MOJ's view a violation of Uzbek law. (Note: While most American nongovernmental organizations are registered in Uzbekistan as "representative" offices, MOJ has claimed for some time that they act under Uzbek law as "branch" offices and must

re-register. This distinction, while relatively minor, has featured in the liquidation cases of some organizations. As a result, several American organizations have decided to follow MOJ's "advice" and re-register. Project Hope was the first to submit its paperwork. End note.) In addition, a Project Hope contact within the Government of Uzbekistan told the organization that a decision has been made not to work with USAID-funded organizations in the future, and that Project Hope should seek out alternative funding sources if it hopes to survive in Uzbekistan long-term.

JSI Registration Denied

13. (C) On May 18, MOJ denied John Snow, Inc.'s (JSI) application for registration. JSI is a commercial entity implementing USAID-funded health projects. This was the organization's second attempt to register; its first application was denied in October 2005. In rejecting the latest application, MOJ cited several "shortcomings" in the information provided by the application, as well as the fact that JSI was seeking registration as a representative office while its charter clearly indicated it would carry out the functions of a branch office. MOJ said that JSI could correct these shortcomings and re-apply in the future. However, the rejection also cited Article II of the NGO law, which requires organizations to seek registration within two months of starting work in Uzbekistan. The rejection states that JSI failed to comply with this provision because it began to operate in Uzbekistan in November 2006, but submitted its (second) registration application only in February 2007.

TASHKENT 00001096 002 OF 002

Abt Associates and Bearing Point Registrations Revoked...Maybe

14. (C) In late 2006 and early 2007, both Abt Associates and Bearing Point successfully registered as commercial organizations under MFER and have been allowed to work normally since that time. However, in late-April, Abt Associates was given a copy of a letter from MFER to the State Tax Committee stating that both organizations would cease operations in Uzbekistan "by the decision of the accreditation agency." Abt Associates' MFER contact said that the organizations would not be otherwise notified that their accreditation had been revoked and that the decision had been made "at the top." (Comment: It is not clear if "the top" in this case refers to Minister Ganiev's office or the Presidential Apparatus. End comment.) Tax authorities subsequently told both Abt Associates and Bearing Point that MFER's letter was not grounds for taking action against them. Neither organization has felt any negative effects from the letter to date. Deputy Minister of Health Kamilov told Abt Associates that the Minister of Health would "take care of" the MFER issue.

Comment

15. (C) Bureaucratic ineptitude explains many of the problems that nongovernmental organizations have with the Ministry of Justice. The decision to deny Project Hope's and JSI's applications, however, demonstrates what we think is a decision not to register any additional international nongovernmental organizations in Uzbekistan. MFER's apparent revocation of Abt Associates' and Bearing Point's registrations is harder to peg, particularly as neither organization has been adversely affected. It is possible that the letter represents Minister Ganiev's personal dislike for American organizations. It might also be seen as a signal that MFER registration is not to be seen as the

solution to American organizations' registration problems.
HANSON